**ONLINE INSURANCE SYSTEM**

**BY**

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**A Project Proposal Submitted to the department of Information Technology in the school of computing and information technology in Partial Fulfilment of the Diploma Information Technology**

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# DECLARATION

I declare that this project is my original work and to the best of my knowledge it has not been presented for a diploma awarded in this or other university.

Signature…………………………………………Date……………………………………………

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**Approval by the Supervisor**

This research proposal has been submitted for examination with my approval as the university supervisors

Signature………………………………………….Date……………………………

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**Department of Information Technology**

# DEDICATION

I dedicate this to my dad and mum for their endless support and sponsorship of my studies and to my supervisor Mr. Kiprono for his great support in guiding me to the end of this project.

# ACKNOWLEDGEMENT

I wish to acknowledge with thanks the help of God Almighty who helped me through out with the effort and strength to complete this research proposal. I also wish to express my sincere gratitude to my project supervisor for his contribution towards the development of this project.

# ABSTRACT

Online Insurance is a web application which is used to tracking the details about the insurance policy, customer details and company details. This project is useful for any kind of insurance company to manage the insurance details, to sanction the insurance for customer, process the insurance policy details and all kind of insurance process through online. In this online process the user enters into the website it will show details about insurance and its types, also it will show the details about different duration schemes to the corresponding insurance type or insurance policy. In this process contains the user registration form which is used to apply for insurance policy through online. It also helps the customer to view their own insurance status information. If the user registered insurance policy to this website, it will process that registration form by verification and immediately give the temporary policy holder ID to the user. After submission of registration form the admin will process to verify that particular details registered by the customer and sanctioned the insurance policy. Then the admin sends the permanent policy holder ID and password to the customer and also send status information about insurance policy to the corresponding policy holder. If the policy holder wants to view the information about their own policy details, he/she login to policy status page by using the policy holder ID and password had already given by insurance company and view their own details and also, they give feedback to the insurance company. The methodology to be used in this proposed system is waterfall methodology because it clearly explains the flow of the system using PHP, HTML and MYSQL database software. The proposed project will also capture information using questionnaires and also observation.

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# CHAPTER ONE

# INTRODUCTION

## 1.1 Background Information

In Kenya one has to cue for long so as to renew his insurance. It is tiresome, time consuming and also slow. This method is in every right acceptable but fall short in this age information and Technology. The need for a more fast and robust system was idealized thus the need for an online insurance system.

## 1.2 Problem Definition

The manual system takes long time as there is a lot of paper work first and then human efforts is also there for filling the forms. Applying of the insurance will be done online such that there is no need to go to the offices and one apply from home or from any other place with internet coverage. A USER ID and PASSWORD will be provided to everyone who signs up so that they can easily login on the insurance link.

## 1.3 Description of the Current System

The existing system is the manual system. The manual system is prone to error. It is time consuming. It is very difficult for a person to produce the report. There are chances for changing the scheme report and do malpractice. This system involves a lot of manual entries with the applications to perform the desired task.

### 1.3.1Weakness of the Current system

Usage of papers in the payment process leads to less efficiency, less accuracy and less productivity. Increasing expenditure for papers shuffling and storage. Increasing labors and hence errors. Less control of Amounts. Time delay between the payment and its receipt. Persons who are present in different part of the world cannot transact efficiently.

## 1.4 Description of the Proposed System

The proposed system is for making easier to manage policy holder details, agent details, policy details, claimant details and payment details. So this will be developed for managing the insurance management system. The overall system is control through the main menu. The main menu contains 5 parts. 1. Policy Schemes. 2. Agent Login. 3. Administrator Login. 4. About us. 5. Contact us.

# 1.4.1 Description the Proposed Solution

To computerize the Insurance system hence reducing Data Redundancy, reducing the cumbersome job of maintaining several documents, eliminating the delays in Report Generation, facilitating faster Searching of information, thus reducing time, energy and cost and giving Assurance to the Policy Holders About Maintaining Data Privacy and Security.

## 1.5 Justification

Web based solutions can be accessed anywhere as long as there is connectivity. Since almost is connected to the internet, one will be able to apply and renew his insurance. The system will be active all day and night, there is no timeline. The system will incorporate verification of users, application and renewal of insurances. Since it is web-based it can access from anywhere, be it at work, in hotels and even at home.

## 1.6 System Objectives

### 1.6.1 General Objectives

The objective of insurance is to financially guard against unpredictable life occurrences. In short, when you buy an insurance policy, you make monthly payments, called premiums, to purchase protection from monetary repercussions related to things like accidents, illness or even death. The amount of your premiums is based on your coverage needs, your personal history, and in some cases, your age, health and even where you live.

### 1.6.2 Specific Objectives

1. To develop a management module that will automate the processes in reliable Insurance Agency.
2. To develop an automated module that will automate the completion of insurance enrolments.
3. To develop a tracking module that will help reliable insurance agency monitor all of the insurance enrolment.
4. To develop a report module that will automate the generation reports. To develop a security module that will protect the system from unauthorized access.

## 1.7 Research Questions

1. How has cost effectiveness and efficiency of online insurance system affected the growth and performance of manual insurance system?
2. How does accessibility of online insurance have effect on manual online insurance?
3. How will the proposed system do clearing and making payment?
4. How does the current system retrieve and update client’s information?

## 1.8 Project scope

This application software has three types of users A. Policy Holders B. Company officials C. Administrator .The existing policy holders can login and view their profile, pay premium and view the existing policy details. The companies officials can login to the system and can generate new policies grant loans to the existing policy holders and add new schemes but it should be approved legally by administrator and then these policies will be updated. The administrator approves the policies generated by company officials and only the administrator has the right to update any information.

## 1.9 Research Limitations

Cost-the researcher required money to travel to various destinations to get to the relevant information about research. Some of the respondents also might not be willing to respond to questions asked hence bring it difficult to do research, Time the research occupied so much time for the researcher. There is also the use of money to purchase the machine like computers, and the software that is used to recovery of data when it lost, and the anti-virus software’s.

# CHAPTER TWO

# LITERATURE REVIEW

## 2.1 Introduction

This chapter entails a review of literature related to the research topic. Insurance policies, a contract between the policyholder and the insurance company, are of different types depending on the risk they mitigate. Broad categories include life, health, motor, travel, home, rural, commercial and business insurance. This project can do the following insurance types. Motor insurance and Fire insurance.

## 2.2 Empirical Review

According to McClenahan’s (2001) observations, in the 18th century, the determination of fire insurance premiums was based upon the roof type and the structure of buildings, and the premium for marine insurance, considered to be the oldest form of insurance, was based on the design characteristics of the ship. The author argues that, considering the presence of uncertain events that may occur depending on certain risk factors, actuaries have always aimed to find a mathematical formulation in order to determine the probability of risk occurrence and to establish the insurance premium.

Based on risks mathematical theory, the involvement of actuarial science in insurance business has a long and rich history. Under the notable influence of Lundberg’s (1903) and Cramer’s (1930) studies, considered the founders of mathematical theory of risks, actuaries were interested in approaching the risks from the insurance companies perspective.

### 2.2.1 Case study (Real insurance company)

The agents of insurances firm need information about how many clients their insurances are still valid and haven’t expired yet for the purpose of modifying their database and it’s very difficult to get that information because of the manual system. The insurance firm needs to use the online insurance system which is fast, efficient and accurate.

### 2.2.2 Case study 2 (Dealers insurance company)

This insurance firm has problems in the management of the clients information because they use the Manual system in the management of the firm. The data retrieval is very hard because manager is at times not sure about the exact location of the needed file hence they is the need to use the online insurance system.

## 2.3 Critique of Existing Systems

In all insurances firms in Kenya, they use manual systems. The manual system is prone to lose of data as it is stored in books. In most cases, data may be altered and mixed up hence confusion in application. Agents find it hard to keep up with applications. This in return leads to need of a new and advanced system.

## 2.3Conceptual Framework

**Ease of applying insurance**

**Fast feedback from the firm**

**Ease access of records**

**Ease report generation**

**Online insurance system**

**Reduced costs and time consumption**

**Speed up the operation**

**Increase security**

**Avoiding data loss**

# CHAPTER THREE

# SYSTEM ANALYSIS AND DESIGN

## 3.1 Introduction

This section outlines the approach the study took in order to ascertain the impact of online insurance system in Kenya. The chosen methods of data collections, analysis and interpretation are therefore illustrated here.

## 3.2 Software development Methodology

There are different types of software development methodologies from this I used:-

1. Object oriented system analysis and design methodology: Is a software development Methodology of building self-contained modules or objects. This methodology has the following futures increased reusability, increased extensibility, proved quality, and reduced maintenance burden and managed complexity.
2. Software development model: we use is iterative model because in iterative model you can iterate back if errors are occur in one phase and we can return back to other phase to fix errors at any phase of the project life cycle.

### 3.2.1 Software Methodology strengths

The strength of the use of survey, questionnaires and interviews is the researcher can get information from many sources and analyze which in return is reliable as everyone fills his or her questionnaire. This in return informs the researcher more about previous systems and their weaknesses hence improvement in the new system.

## 3.3 Feasibility study

Feasibility study is used to investigate the proposed system in multiple dimensions. It is used to indicate whether the system is feasible or not.

1. **Technical feasibility**

Technical feasibility is the measure of practicality of the specific technical support and the availability of technical resources and expertise to use the system. The proposed system can be easily maintained and repaired without requiring high Experts or technical supports; because the System will be installed in adaptable technologies and the employees of the organization have some knowledge about technology by providing training and help how to use the system and cause the system easily. So the system is technically feasible.

1. **Operational feasibility**

The system performs all operations to achieve the specified objective, User friendly and interactive with the environment and the system will perform all operation that the organization runs. And it will not have any difficulty or procedures to perform the operation of the system.

So the project is operational feasible.

## 3.4 Requirements elicitation

There are different methods of data collection methods. From those we used the following methods respectively to collect data from the organization.

1. Interviews: were conducted in cases where clarity is needed.
2. Direct Observation: use this method to get the right information about the organization and also understand by viewing how the existing system works.
3. Document analysis: we analyzing the manual resources of the organization how the current system operates.
4. Research Questionnaire: was distributed to selected people. The completed questionnaires were checked for credibility, integrity and completeness.

## 3.5 Data and System Analysis

Data collected from the field was edited and coded for completeness after which it was summarized and analyzed using descriptive statistics such as percentages. Presentations of the findings was done using tables, pie charts and bar graphs which facilitated clear interpretation of results and drawing of conclusions.

## 3.6 System Requirements

### 3.6.1 Hardware Requirements

The hardware requirement that we use for developing this project are.

1. Personal Computer
2. Intel(R) core™i3, CPU 2.16GHz and more than this is possible.
3. RAM: above 4GB
4. Disks (CD, DVD) drivers.
5. 500GB Hard-disk.
6. Printer: required for printing the documents of the project.

### 3.6.2 Software Requirements

The software requirements include:

1. 64 bit Windows 10 pro Operating system
2. Firefox and chrome browsers
3. Microsoft office Word 2013:-for documenting
4. Xampp Server: - To test the system will be running.

### 3.6.3 BUDGET AND RESOURCES

**Budget**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **Cost per unit**  **(KES** | **Quantity** | **Total**  **(KES)** |
| **Preparation of research proposal**  Print of the final proposal  Photocopying of final proposal  Binding of final proposal  Internet Services  Notebooks  Pens and Pencils  Foolscap  Flash Disk  CDS  Travelling expenses | 6  3  50  1 per minute  50  10  2  800  20 | 18  18  3  180  3  3  40  2  3 | 108  54  150  180  150  30  80  1600  60  1000 |
| Dell | 34,000 | 1 | 34,000 |
| **Totals** | 942 | 271 | 37412 |
| Miscellaneous | 10% of Total |  | 3742 |
| **Grand Total** |  |  | 41154 |

## 3.7 GHATT CHART

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Duration | MAY-JUNE  2018 | | | | JUNE – JULY 2018 | | | | JULY-AUGUST 2018 | | | |
|  | Activity | Week | | | | Week | | | | Week | | | |
|  |  | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| 1 | Identification of the problem |  |  |  |  |  |  |  |  |  |  |  |  |
| 2 | Feasibility study |  |  |  |  |  |  |  |  |  |  |  |  |
| 3 | Requirements analysis |  |  |  |  |  |  |  |  |  |  |  |  |
| 4 | Software requirement and specification |  |  |  |  |  |  |  |  |  |  |  |  |
| 5 | Proposal presentation |  |  |  |  |  |  |  |  |  |  |  |  |

# CONCLUSION AND RECOMMENDATIONS

## Recommendations

The online insurance system should be improved to perform more tasks if need will rise. This is possible through the shop programmer who will be employed because it is recommended to have at least one programmer to help in troubleshooting in case of any system failure.

# Conclusion

The online insurance system has so many advantages which is a pleasant experience. Most insurance firms should implement the use of online insurance system as it is efficient faster accurate, and more economical in terms of management . It is to be easier to retrieve client’s details and to generate reports. No more man power is needed because there is less paperwork involved.

# APPENDIX

I am an undergraduate student at Jomo Kenyatta University, undertaking a course in Diploma In Information Technology. I am conducting a study on online insurance system in improving service delivery for clients in the insurance industry. The aims of this study are:

1. To determine the effectiveness of online insurance system in service delivery.
2. To access how to improve the services using online insurance system.

The study is only aimed at benefiting the academic sector, it will also be helpful for the insurance companies to evaluate the efficiency of online insurance system.

Would you please complete the following questionnaire as honestly and constructively as possible?

The information in this research will be used for academic purpose only. Your responses will be kept with strict confidentiality.

Thank you for your contribution to this research. Your cooperation is greatly appreciated.

Kind regards

**Felix Loki Mutunga**

# QUESTIONNAIRES

**INSTRUCTION: PLEASE TICK WHERE APPROPRIATE**

**Section A**

1. **Please indicate your gender**: Male [ ] Female [ ]
2. **Age:** Below 20 years [ ] 20-30 years [ ] 30-40 years [ ] above 40 years [ ]

**Section B**

1. **How often do you use the current manual insurance services?**

Very often [ ] Often [ ] Fairly often [ ] Not often [ ]

1. **What is the level of insurance company’s services coverage in your region?**

Effectively covered [ ] Covered [ ] Relatively covered [ ] Not covered [ ]

1. **How dependable are you to the current manual insurance system at the company?**

Very dependable [ ] Dependable [ ] Fairly dependable [ ] Not dependable [ ]

1. **How secure is the current manual system to the agents and clients?**

Very secure [ ] Secure [ ] Fairly secure [ ] Not secure [ ]

1. **How is the level internet coverage currently in your area of residence?**

Effectively covered [ ] Covered [ ] Relatively covered [ ] Not covered [ ]

1. **How conversant are you with the use of online as a means of insurance application and renewal?**

Very conversant [ ] Conversant [ ] Fairly conversant [ ] Not conversant[ ]

1. **How convenient is online renewal as a method of renewing and applying insurances to clients?**

Very convenient [ ] Convenient [ ] Fairly convenient [ ] Not convenient [ ]

1. **How often do you use online insurance system to obtain insurances?**

Very often [ ] Often [ ] Fairly often [ ] Not often [ ]

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